

MANAGING FOR RESULTS

Managing for Results (MFR) is a planning, performance measurement, and budgeting process that emphasizes use of resources to achieve measurable results, accountability, efficiency, and continuous improvement in State government programs.

StateStat is an accountability process that involves (1) the adoption of a strategic plan and the establishment of goals by an agency; (2) the adoption of a comprehensive set of performance and citizen satisfaction measurements by an agency; (3) regular and frequent submission of timely and accurate data by an agency, review and analysis of submitted data, and accountability meetings to assess an agency's performance; (4) continuous review of the strategies and tactics used by an agency to meet the goals of the agency; and (5) continuous assessment of the progress of an agency towards meeting the goals of the agency.

StateStat and MFR are complementary processes. Participation in StateStat will help facilitate and accelerate the achievement of MFR goals and objectives. MFR and StateStat should be based on the same strategic plan. The StateStat process involves frequent submission, review and discussion of data to achieve improved performance. MFR requires annual submission of data and description of performance.

The State Finance and Procurement Article (Section 3-1001 through 3-1003) defines the **Managing for Results** and **StateStat** processes, and establishes requirements for agencies and DBM under these processes. These instructions reflect those requirements.

Agencies participating in StateStat are not exempt from annual MFR budget submission requirements. Agencies participating in StateStat will continue to submit to DBM a mission statement, agency goals, objectives, performance measures, performance measure statistics, data definitions and control procedures, and program performance discussions. If an agency's key goals, objectives and measures change as a result of StateStat, these changes should carry over to the agency's MFR.

DBM will use agency Managing for Results submissions to:

1. Analyze what the reported performance data indicates about effectiveness of strategies, agency and program performance, and the justification for continued, increased, or decreased funding;
2. Set priorities to facilitate necessary budget reductions and efficiencies; and
3. Discuss goals, strategies, and results data in analyses of agency budgets and in budget hearings.

FY 2009 MFR REQUIREMENTS

DBM will send each agency the electronic files that were used to print the FY 2008 MFR budget book pages. Agencies are to update the actual and estimated fiscal year data. **Agencies are not to re-insert goals, objectives, and/or performance measures that were edited out of the FY 2008 budget book pages by DBM.** Many agencies have continued to disregard the electronic files sent by DBM. This year DBM will return incorrectly formatted files to the agencies for correction.

This year each eight-digit program will begin on a new page. Each agency will need to modify the Word files sent by DBM to insert a page break after each eight digit program.

E-mail the FY 2009 MFR Word documents to **MFR@dbm.state.md.us**, and copy the assigned DBM Budget Analyst no later than **August 31, 2007**. The subject line of the email should include the 6 digit or 8 digit budget code and an indicator of the topic. The file should be named similarly. Examples:

Subject of email

M00F02 bud book
M00F02 def control
M00F02 perf disc
M00F02 supp
M00F02 graph

File name

M00F02 bud book 09
M00F02 def control 09
M00F02 perf disc 09
M00F02 supp 09
M00F02 graph 09

Any proposed changes to the goals, objectives, and measures in the DBM Word files must be discussed with the DBM Analyst before submission. The MFR budget book pages should only include measures that illustrate the key activities and desired outcomes of the agency and of each appropriated (8 digit) program. The measures selected should provide budget decision-makers with the data to evaluate progress towards achieving agency objectives, and justification for the expenditure of funds.

Consistent information must be presented over the four-year time frame for all performance measures. If a change is made to actual data previously reported, include an explanatory note. Actual data may not yet be available if an agency has revised its performance measures. In that case, agencies should include estimates for FY 2007 and FY 2008 related to the targets in the MFR objectives. If a program does not have an appropriation for FY 2008 but an appropriation is being requested for FY 2009, please include MFR components for that program and include a note to that effect.

Agencies must submit SEPARATE Word files for each of the following components of the MFR submission rather than combining them into a single document:

- MFR **budget book pages** must be updated to include actual and estimated fiscal year data and updates to existing graphs. Agencies should update existing graphs within the budget book pages. Agencies must include explanatory notes on the budget book pages if a performance target in an objective has changed, underlying data for a measure has changed, estimated data is reported rather than an actual, and/or data is from a third party.
- Any **new graphs** must be in separate Excel files rather than included within the Word files. Agencies with measures in the State Comprehensive Plan must submit graphs for those measures. The State Comprehensive Plan may be found on the DBM website: <http://www.dbm.state.md.us>. Click on “Agencies” and then on “MFR/Government Efficiency.” There is a link on the left, near the bottom, to the “State Managing for Results Comprehensive Plan.”
- **Data definitions and control procedures** (include budget code, and corresponding goals and objectives).
- **Strategies** for each objective (include agency/program budget code and associated goals and objectives). Strategies are optional unless requested by the budget analyst. Agencies that are

responsible for reporting data for measures included in the State Comprehensive Plan must submit strategies that support achievement of related goals and objectives;

- **Program performance discussions** (include agency/program budget code, and associated goals and objectives). Agencies with measures in the State Comprehensive Plan must submit performance discussions for those measures.
- A **Supplemental document** (optional) may include a more comprehensive set of goals, objectives, performance measures, and explanatory notes than will be printed in the budget books. Budget book format is preferred for this document.

SUMMARY OF SUBMISSION REQUIREMENTS FOR FY 2009

Use the following as a checklist to ensure all required information is submitted by August 31.

MFR COMPONENTS	AGENCY	PROGRAM (Mandatory items apply to each appropriated 8 digit program)	CONDITIONS
Mission	Mandatory	Mandatory	
Vision	Optional	Optional	
Key Goals	Mandatory Maximum of 6 at the agency-level	Mandatory Maximum of 3 per appropriated program	Agencies with multiple budgeted programs should submit both agency-level and program-level goals, objectives and measures
Key Objectives	Optional Maximum of 2 for each agency-level key goal; maximum of 12 agency-level objectives	Mandatory Maximum of 2 for each key goal presented	List objectives under goals in the MFR presentation using the numbering system outlined in the MFR Guidebook
Key Strategies	Mandatory Agencies that report data for measures in the State Comprehensive Plan must submit strategies that support achievement of related goals and objectives. Otherwise, strategies are optional.	Optional Unless requested by the agency's Budget Analyst	Submit strategies in a separate Word document. Include goals and objectives pertaining to each strategy. Use numbering as shown in MFR budget book pages. Strategies are not printed in the budget books.
Key Performance Measures	Mandatory Focus on outcomes and efficiency measures. Maximum of 25 key agency-level measures	Mandatory Focus on outcomes and efficiency, but may include input, output, and quality measures	Include measures that are crucial to understanding how objectives will be achieved; for key goals and objectives only.

MFR COMPONENTS	AGENCY	PROGRAM (Mandatory items apply to each appropriated 8 digit program)	CONDITIONS
Data for Key Measures	Mandatory	Mandatory	Submit actual statistics for agency-level and program measures for two most recently completed fiscal years (2006, 2007), estimates for current and request year (2008, 2009)
Graphs and/or charts of performance data for significant outcome measures including those that are in the State Comprehensive Plan	Mandatory Minimum of 1 new chart or graph in addition to updated graphs/charts from prior years. Agencies must submit graphs for measures in the Comprehensive Plan	Mandatory Minimum of 1 new chart or graph in addition to graphs/charts submitted in prior years. Submit <u>new</u> graphs in Excel only	Display at least three (but preferably five or more) years of actual data and estimates for 2008 and 2009. Update graphs within the 2008 budget book Word file
Certification of the Reliability of the MFR Data	Mandatory Written certification by agency head or designee.	Not applicable	Designees are Deputy or Assistant Secretaries in departments or Deputy Directors in independent agencies
Data Definitions and Descriptions of Control Procedures	Mandatory Submit documentation for at least 10 agency-level measures for which data definitions and control procedures were not submitted in prior years. Submit outcome and efficiency measure documentation before other types of measures.	Mandatory after submitting documentation for all agency-level measures. Submit documentation for outcome and efficiency measures before other types of measures. Submit a separate Word document.	Submit updates to definitions and control procedures that were submitted for prior years. Submit definitions and controls for an additional 10 performance measures; Will not be printed in the budget books.
Program Description	Not Applicable	Mandatory Describe major on-going activities.	Include appropriate section from Annotated Code if applicable
Discussion of Program Performance	Mandatory Discuss performance for specific measures and objectives that are in the State Plan.	Mandatory Will not be printed in the budget books. Submit in a separate Word document.	Discussions may aggregate performance for entire agency or highlight specific appropriated program;
Full Agency MFR Strategic Plan	Optional	Optional	Provide copy if agency published a full plan.

Definitions and guidance about developing MFR components are found on the DBM website. Go to <http://www.dbm.state.md.us>. Click on “Agencies” and then on “MFR/Government Efficiency.” There is a link on the left, near the bottom, to the “Maryland MFR Guidebook.” Agencies may obtain training in MFR and related subjects from the University of Baltimore.

GENERAL FORMAT

Agencies must use the format prescribed in these instructions and the following attachments unless the assigned DBM Budget Analyst agrees to a change. The attachments are as follows:

Attachment A – Formatting Guidelines

Attachment B – Sample Format

Attachment C – Margins

Attachment D – Headers – 1

Attachment E – Headers – 2

Attachment F – Headers – 3

Attachment G – Body of MFR Presentation

Attachment H – Performance Measures

Attachment I - Guidelines and Sample Templates for Data Definitions and Control Procedures

Prior to submission to DBM, agencies must proof completed budget book pages to:

- ✓ Ensure that the agency submission is in compliance with the prescribed format and content;
- ✓ Ensure that capitalization criteria have been met; and
- ✓ Correct spelling and word spacing errors.

PROGRAMS WITH SHARED MISSION, GOALS, OBJECTIVES, AND MEASURES

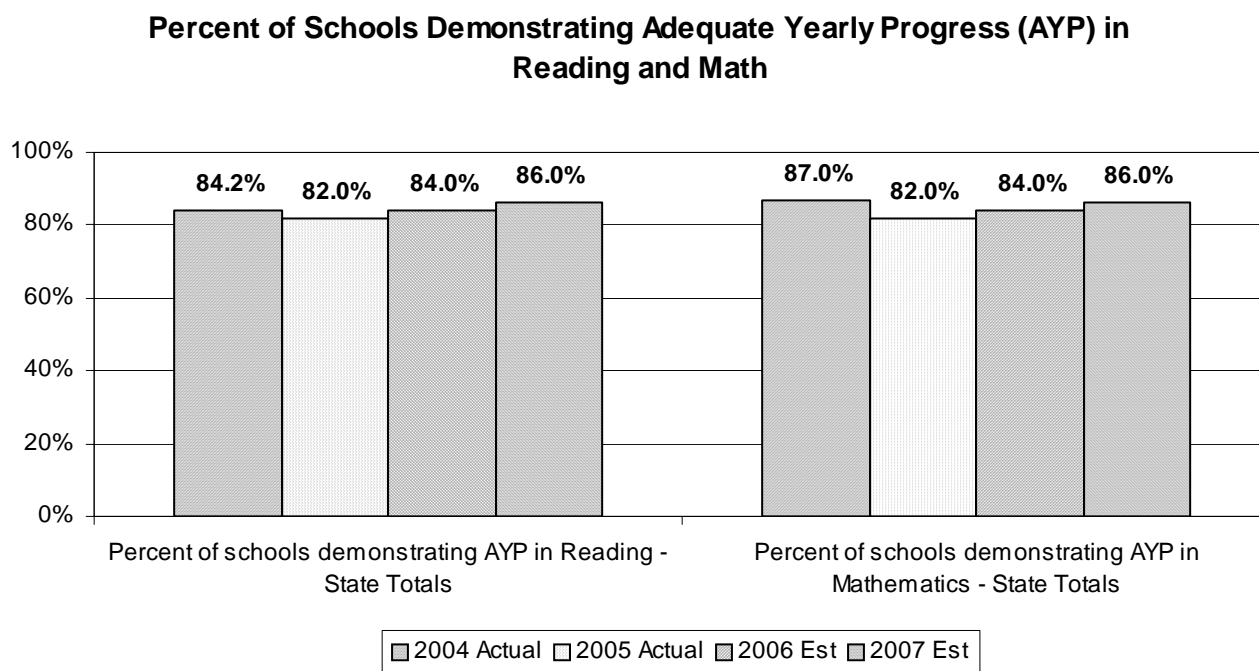
If an agency has programs that share the same mission, goals, objectives, and performance measures, it is not necessary to repeat these items for each program. The agency should include a reference to the program where these items may be found. For example, an agency could include a statement such as, “The mission, goals, objectives, and performance measures for this program are the same as for the Property Tax Program.”

PERFORMANCE MEASURES

Agencies should list each performance measure under the objective to which it pertains, using the format shown in Attachment B (sample budget book page). Other types of performance measures may be grouped together following all other objectives. Footnotes may be provided to clarify measures and reported data. **If the data is reported for a calendar year instead of a fiscal year, the heading should be changed to indicate the appropriate reporting period.**

Graphical presentation of data should display at least three (but preferably five or more) years of actual performance data as well as the estimates for FY 2007 and FY 2008. Graphs should be formatted in

black and white, using patterns to differentiate data. Font should be Times New Roman, size 10. Below is a sample graph.



DISCUSSION OF PROGRAM PERFORMANCE

Agencies must submit a written discussion of program performance that describes what MFR performance data reveal about agency performance during the past fiscal year. Discussions may aggregate performance for the entire agency or highlight a specific appropriated program. **Agencies with measures in the State Plan must discuss performance for those specific measures and associated objectives.**

The discussion of program performance will not be published in the budget books, but will be used by budget decision-makers to assess program performance. Agencies should include the following information in discussions of program performance:

- Concise statement of overall program performance including what the reported outcome and efficiency measures and other units of measure show about the effectiveness and efficiency of the program;
- Outcomes attained and explanations for performance that surpasses, meets, or fails to achieve program targets for outcomes and service delivery; and
- Comparison of program performance to similar programs in other jurisdictions using performance information obtained from benchmarking, national standards, the experience of other similar states, or published articles, research, audits, or management evaluations.

STRATEGIES

Agencies responsible for reporting data for measures included in the State Comprehensive Plan must submit strategies that support achievement of related goals and objectives. Otherwise, submission of strategies is optional unless the DBM Budget Analyst requests submission of strategies.

DBM REVIEW AND ASSESSMENT OF FY 2009 MFR SUBMISSIONS

The Department of Budget and Management will apply the following questions when assessing agency Managing for Results submissions. Agencies should use these questions when developing a strategic plan and performance measures, and should refer to the **Managing for Results Guidebook** for additional guidance.

MISSION

- Who are the customers/stakeholders that the agency is serving?
- What are the intended results that meet stakeholder/customer needs?
- What services/activities are used to achieve the mission?

VISION

- What would Maryland be like if the agency's Vision (or outcome goals) were achieved?

GOALS

- What outcomes are sought by the goal?
- What strategic issue is being addressed by the goal?
- What concept in the goal is measurable?
- Do the current or proposed program activities relate to the goals?
- Is the number of goals within the specified number?

OBJECTIVES

- How do the goals and objectives support the agency's Mission and Vision that have been submitted?
- Are the objectives "**SMART**"?
 - **Specific:** What specific aspects of the outcomes are sought after in the objective?

- **Measurable:** What is being measured? What targeted level of performance is specified by the objective for the desired outcomes?
- **Attainable:** Do the agency's performance targets seem aggressive enough considering baseline performance and other factors?
- **Results-Based:** What outcome is sought in the objective?
- **Time Bound:** When can you expect to see results?

PERFORMANCE MEASURES

- Is the performance concept in the goal measured?
- Is the reported measure consistent with the associated objective, i.e. are the objective and measure formulated in the same way?
- Are the performance measures valid? If not, describe the aspects that are not valid.
- Are the performance measures clear? If not, describe what is unclear.
- What has been the agency's baseline performance?
- What benchmarks (internal or external) exist that relate to the performance?
- What outcomes and results has the program produced?

STRATEGIES

How does the strategy influence attainment of goals and objectives?

The OBA Budget Analysts will take the following actions as appropriate following assessment of components of the agency MFR submissions:

1. Contact the agency to discuss agency and program performance as indicated by reported performance data;
2. Consult as possible with the agency regarding editorial revisions to the MFR submission.
3. Return the submission to the agency for revision and resubmission as needed.
4. Approve the MFR submission for print in the Budget Book.

DOCUMENTATION OF DATA RELIABILITY, DATA DEFINITIONS, AND CONTROL PROCEDURES

Certification of the reliability of the reported data

Because performance data are elements in budgetary decision making, it is important for reported data to be accurate, reliable, and valid. **Each agency must submit a certification signed by the agency head or his/her designee of the reliability of the MFR data submitted for the FY 2009 budget.** Designees may be either Deputy Secretaries or Assistant Secretaries in cabinet departments or Deputy Directors in Independent agencies.

Agencies that report data for measures included in the State Comprehensive Plan are strongly encouraged to conduct internal audits every two years of the reported data for those measures. DBM may request copies of those internal audit results in future years.

Data definitions and control procedures

Agencies must submit data definitions and control procedures for 10 key agency-level outcome and efficiency performance measures. It is not necessary to re-submit data definitions and control procedures submitted for FY 2007 and 2008 unless the documents have been revised. If all of the data definitions and control procedures for agency-level outcome and efficiency measures have been submitted, definitions and control procedures should be submitted for program-level outcome and efficiency measures. DBM does not prescribe a format for data definition and control procedures documents. Attachment I provides several examples of templates.

Terms used in data definitions must be precisely defined so that the measures are correctly understood and calculated. Formulas for calculation of the measures should be specified in data definitions. The reported measure must be consistent with what is being measured in the objective. For example, if the objective measures the percent of Maryland children fully immunized, it would be incorrect to state the measure as the number of children fully immunized.

The legal requirement for agencies to maintain documentation of internal controls is included in Section 3-1002 (d) of the State Finance and Procurement Article. When establishing performance measurement systems, agencies should ensure that documentation of data definition and control procedures is complete, accurate, and consistent. The data collection, maintenance, and processing systems must be designed to avoid significant error and bias. Agencies should provide sufficient information on verification and validation procedures to allow a third party to assess whether those procedures and the reported data are credible. Control procedures should include periodic review of data collection, maintenance, and processing procedures; periodic sampling and review of data; independent audits; or other established procedures for verifying and validating data. Data supplied from an external source should be indicated and verified where possible. Verification of third party data may include obtaining from each data source the specific procedures for ensuring data integrity. Agencies should periodically update definitions and control procedures as necessary.

Attachment A

FORMATTING GUIDELINES FOR MANAGING FOR RESULTS SUBMISSION

MARGINS	Top and bottom should be 1"	Right and left should be 0.5".	Gutter 0	Header/Footer 0.5"	
FONT	All text: Times New Roman	Header: 14 Point	Program name and R*STARS Code: 12 Point	Program Description, Mission, and Key Goals: 12 point on Agency-level page 10 Point on program-level pages	All other text: 10 Point
JUSTIFICATION & PAGE BREAKS	Multiple line text in program description, mission, vision, goals, and objectives should be fully justified.	Performance measures are not justified.			
HEADERS	Headers include the department / agency name and appear at the top of every page.	There should be a line across the page under each header. (See the budget books)	To create the header select view /headers . Select format/ borders/ shading . Select 2¼ pt in Width . Select solid line in Style . Select bottom line in Preview	Correct headers if there have been changes in agency names.	
PROGRAM CODE AND NAME	Use the eight-digit R*STARS code. Do not use a dash between the code and name.	Program names should be the same as in the budget books and the HOB0 files. Inform OBA if a program name has changed.	Include the division/ administration that the program is part of. (See budget books). Indent additional lines under the first letter of text on the first line.	Repeat only program code and name when sections carry over to the next page. Do not repeat section title (Goals, Objectives, Perform. Measures).	

Attachment A

FORMATTING GUIDELINES FOR MANAGING FOR RESULTS SUBMISSION

ACRONYMS	The first time an acronym is used, it should be noted in parentheses after the words the acronym stands for. Thereafter, use only the acronym.				
SPELL OUT	fiscal year (do not use FY)	Percent (rather than %) in performance measure descriptions. The % symbol can be used in data tables.	General Funds (do not use GF)	Federal Funds (do not use FF)	
CAPITALIZE	State when it refers to the State of Maryland	Federal	General Funds	Department when it refers to a specific department.	First letter of first word of each performance measure
MEASURES WITHOUT DATA	Enter an * in the Actual column.	Include a note in bold, 10 font, and 2 lines below last measure, i.e. Note: * New measure for which data is not available.	If data is not applicable: Enter N/A in the Actual column.		
CAPITAL PROGRAMS	Do not include in MFR submission				

DEPARTMENT OF NATURAL RESOURCES

K00A04.01 STATE-WIDE OPERATION- STATE FOREST AND PARK SERVICE

PROGRAM DESCRIPTION

The State Forest and Park Service manages and operates Maryland's state parks, scenic preserves, historic monuments, natural environment areas and recreation areas.

MISSION

To manage the natural, cultural, historical, and recreational resources to provide the best use for the benefit of people.

KEY GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

Goal 1. Natural resources stewardship opportunities for Maryland's urban and rural citizens.

Objective 1.1 Promote stewardship ethics to 25,000 state park visitors to ensure the responsible use of public lands; and monitor recreational impacts to protect these state lands, as set forth in the environmental ethics goals of the Department of Natural Resources.

	2004	2005	2006	2007
Performance Measures	Actual	Actual	Estimated	Estimated
Input: Miles of boundaries*	1,500	1,500	800	800
Output: Additional miles of boundaries marked	50	50	0	0
Miles of boundaries marked	400	450	490	490

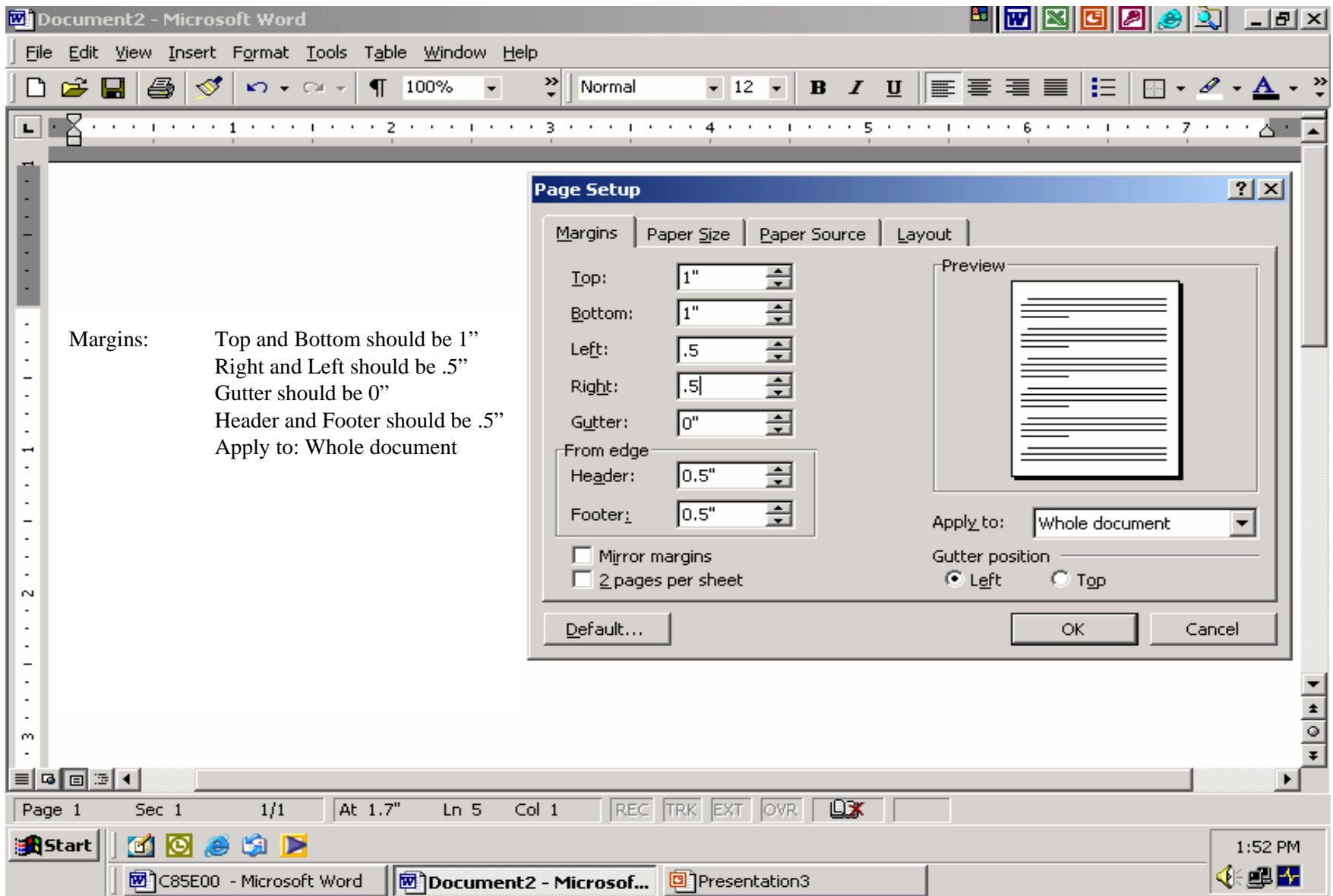
Note: * Responsibility for State Forests has been transferred to Forestry in FY 2006

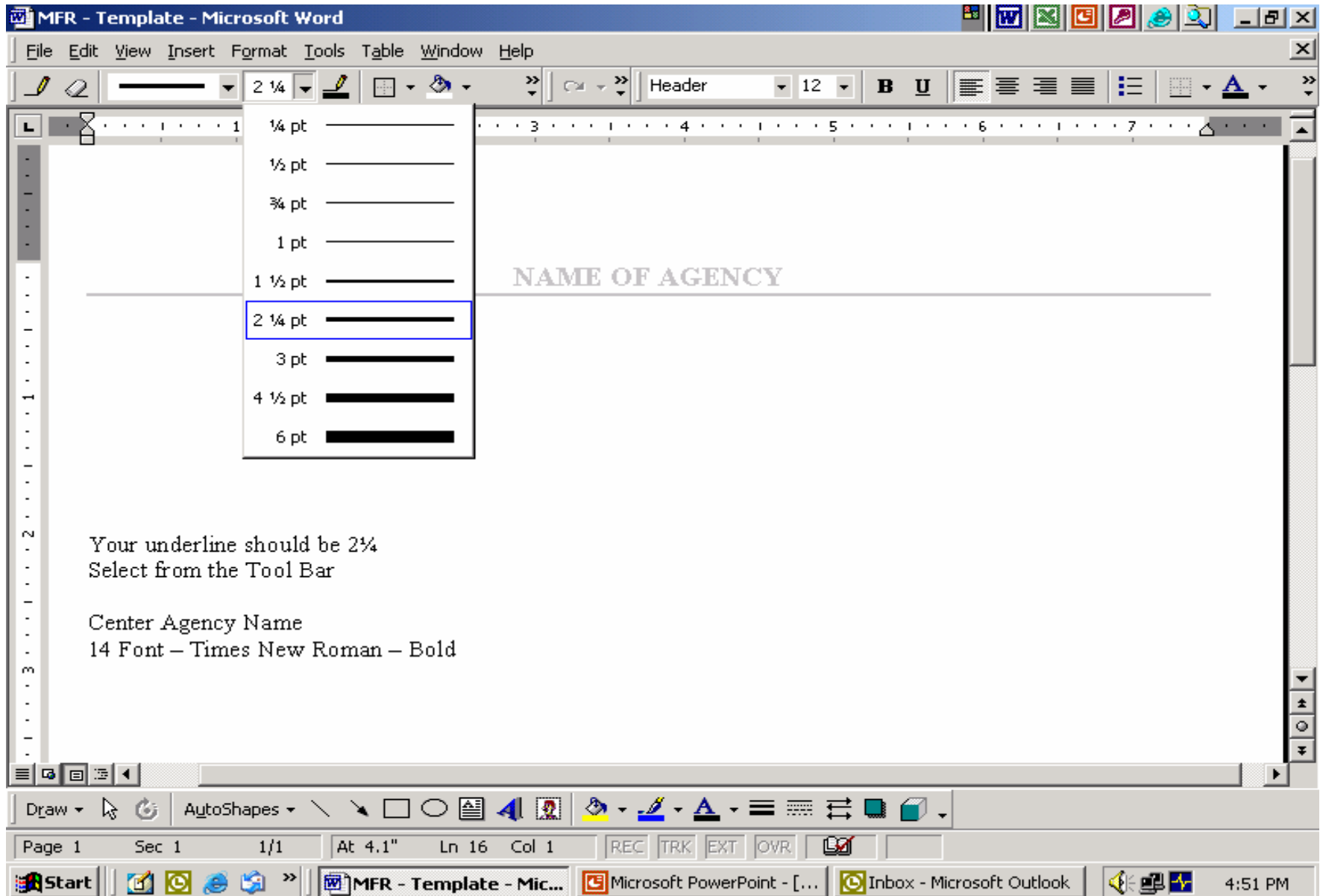
Goal 2. Diverse outdoor recreation opportunities for Maryland's citizens and visitors.

Objective 2.1 Provide outdoor recreational experiences for at least 10,993,129 visitors to State Parks during fiscal year 2007.

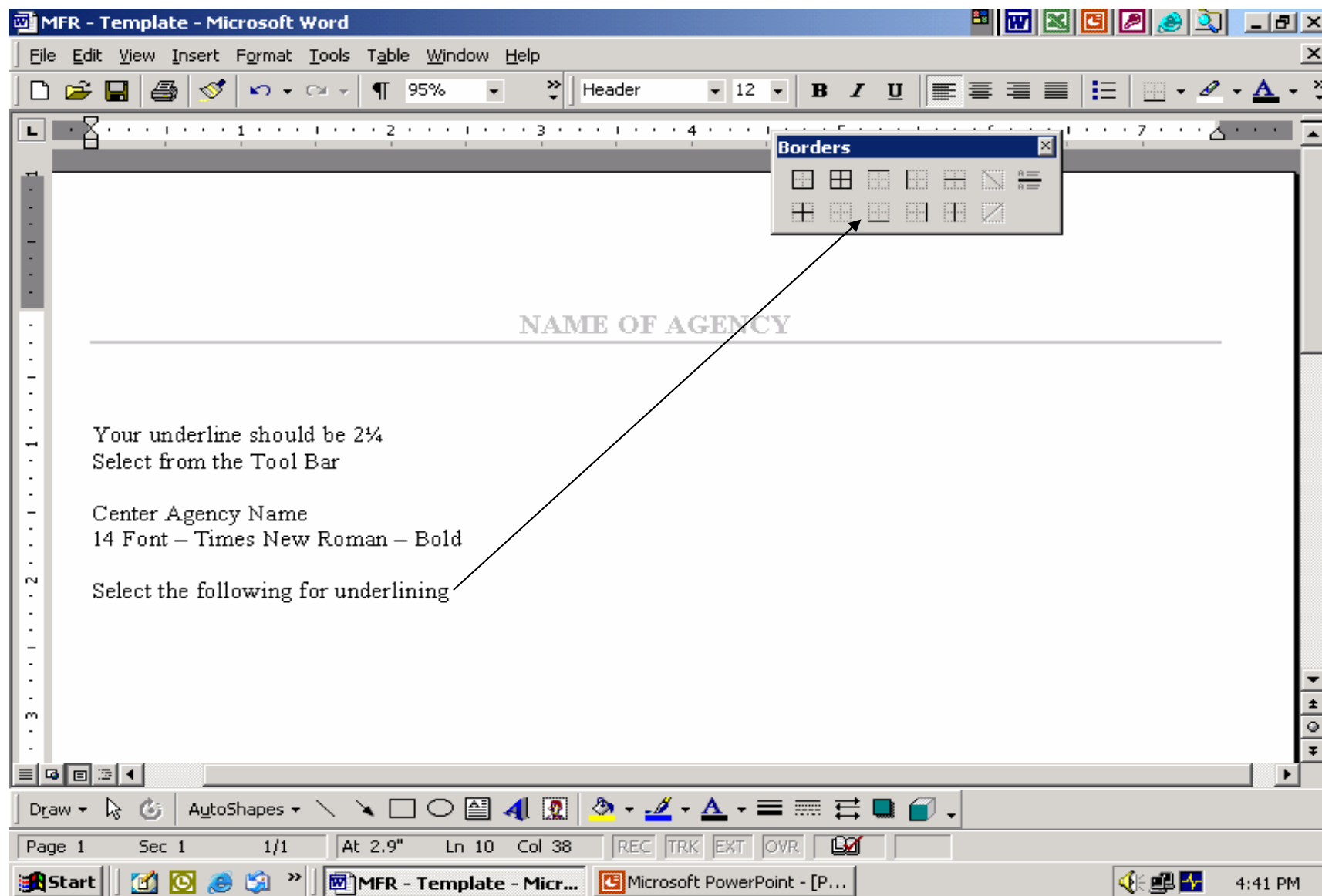
	2004	2005	2006	2007
Performance Measures	Actual	Actual	Estimated	Estimated
Output: Number of land units available to the public	94	94	89	89
Number of acres available to the public	268,316	268,316	199,000	199,000
Outcome: Number of visitors using forests and parks (millions)	10.7	11.0	11.2	11.4

MARGINS



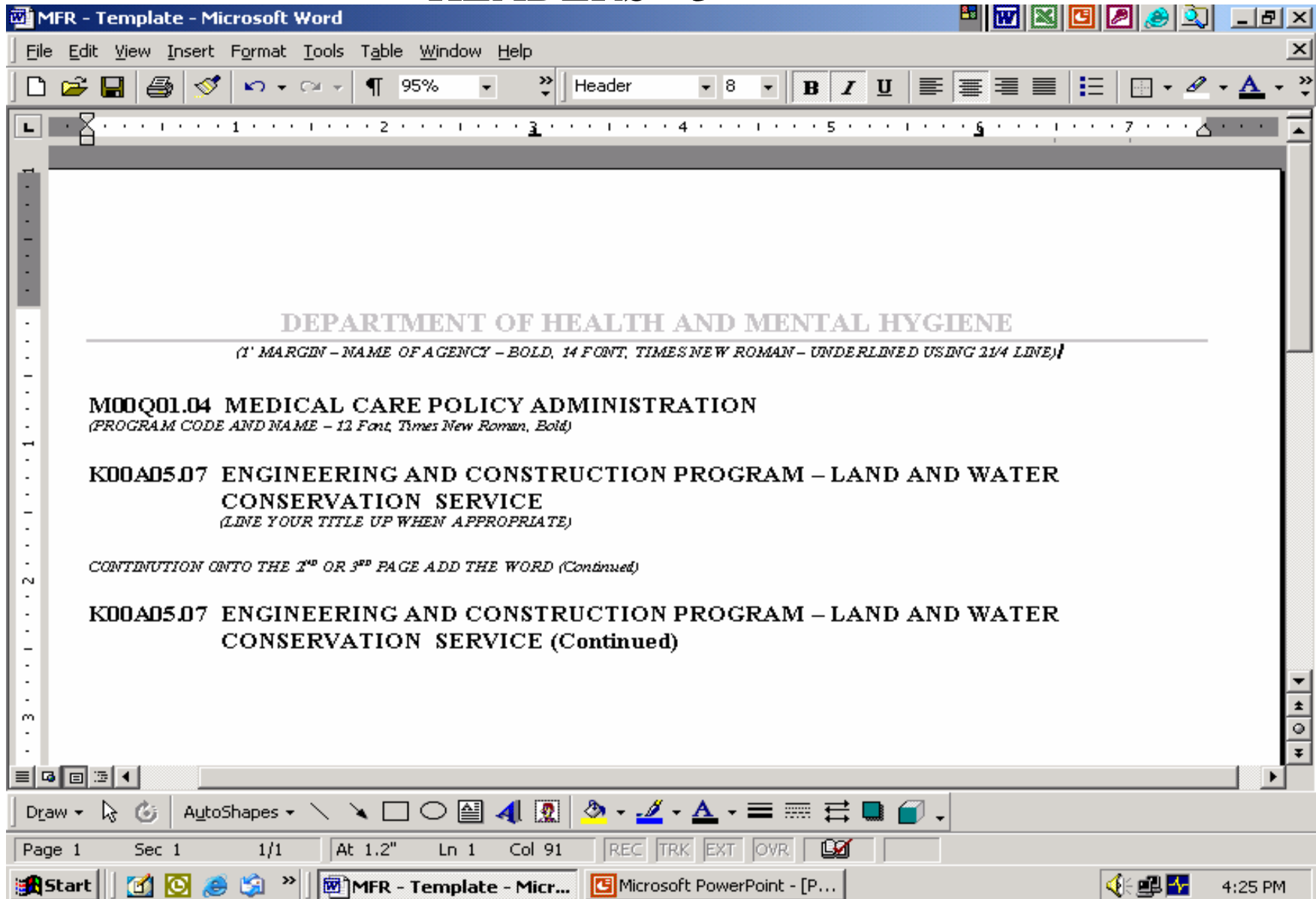


HEADER - 2

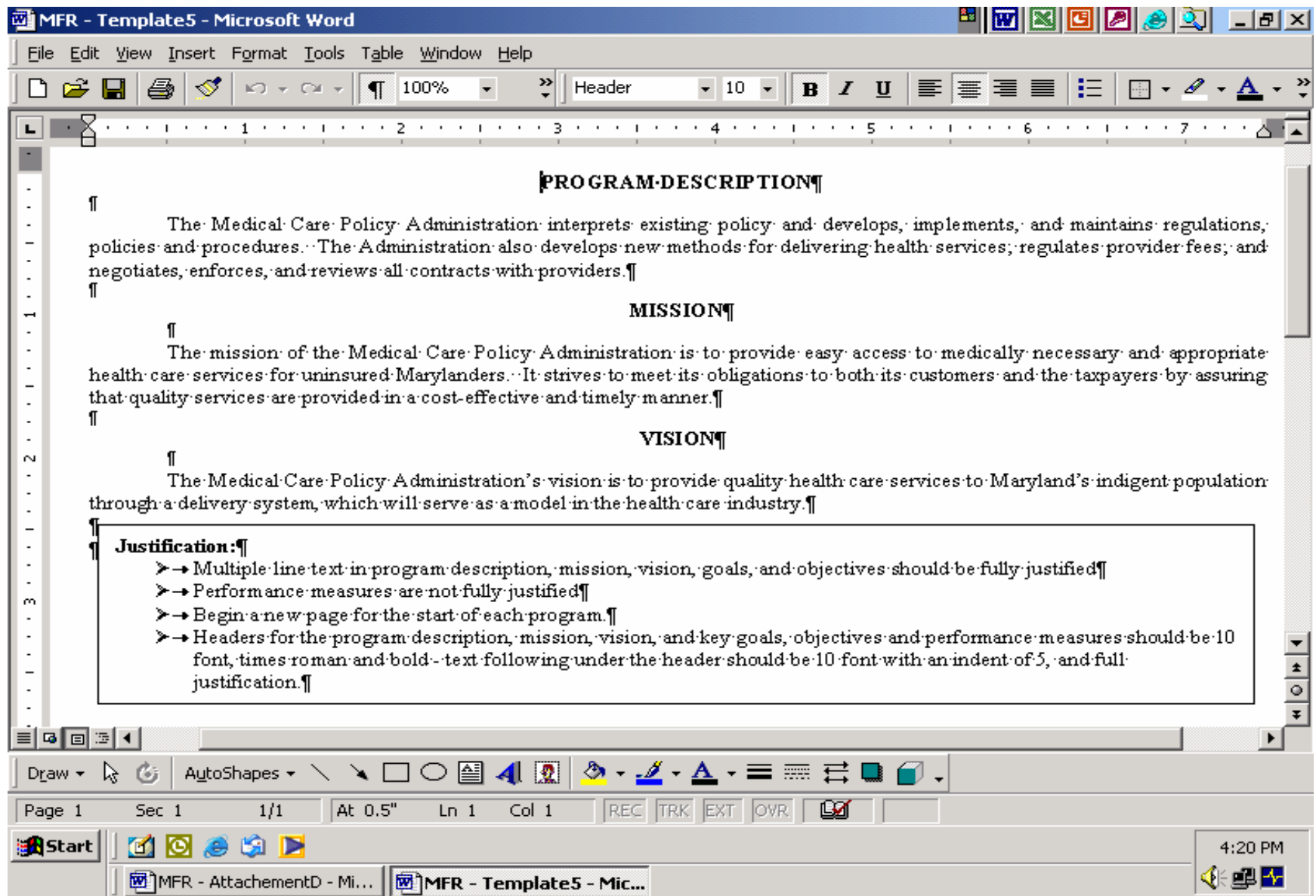


HEADERS - 3

Attachment F



BODY OF PRESENTATION



PERFORMANCE MEASURES

Document4 - Microsoft Word

File Edit View Insert Format Tools Table Window Help

Normal 100% 10 B I U

KEY GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

Goal 1. Improve the health of Maryland's children.

Objective 1.1 For Calendar Year 2005, increase by 1 percentage point annually the proportion of HealthChoice child respondents¹ who report² that the medical care they have received in the last six months has improved their health.

	CY 2003 Actual	CY 2004 Estimated	CY 2005 Estimated	CY 2006 Estimated
Performance Measures³				
Input: Number of HealthChoice child respondents	3,263	3,300	3,300	3,300
Output: Number of HealthChoice child respondents who reported that the medical care they received in the last six months has improved their health	2,720	2,772	2,805	2,838
Outcome: Percent of HealthChoice children surveyed reporting the medical care received in the last six months has improved their health	83%	84%	85%	86%

Page 1 Sec 1 1/2 At 2.5" Ln 11 Col 60 REC TRK EXT OVR

Start

M00Q01 - Microsoft Word Document4 - Microsof... Microsoft PowerPoint - [P...]

2:50 PM